



EXHIBIT 1-B

**Draft Minutes
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
September 18, 2023 at 6:00 P.M.**

Meeting Location: District Office, Main Conference Room
5 Harris Court, Building G, Monterey, CA 93940 AND
By Teleconferencing Means - *Zoom*

CALL TO ORDER:

Chair Adams called the meeting to order at 6:00 PM.

ROLL CALL:

Board members present: Mary Adams, Chair
Amy Anderson, Vice Chair
George Riley
Marc Eisenhart
Karen Paull
Ian Oglesby
Alvin Edwards

Board members absent: None

District staff members present: David Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Jon Lear, Water Resources Manager
Kristina Pacheco, Executive Assistant/Board Clerk
Sara Reyes, Sr. Office Specialist

District staff members absent: None

District Counsel present: David Laredo with De Lay & Laredo

PLEDGE OF ALLEGIANCE:

The assembly recited the Pledge of Allegiance

ADDITIONS AND CORRECTIONS TO THE AGENDA:

Agenda Item	Information Provided/Corrected
Consent Calendar – Item No 2	Exhibit 2-A

ORAL COMMUNICATIONS:

Chair Adams opened Oral Communications; *the following comments were directed to the Board:*

- (1) Chris Cook, Director of Operations with California American Water, briefly discussed the operations, engineering efforts and improvements to further maximize production of Source Waters in the Carmel River and Seaside Basin.
- (2) Tim O'Halloran, Engineering Manager with California American Water, provided a brief update on well activities in preparation for the ASR and extraction season.
- (3) Nina Beety, stated she sent a letter to the Board that was prepared by the Sierra Club and sent to the Coastal Commission in response to a plan by the University of California at Santa Barbara to install artificial turf in one of their baseball fields. Ms. Beety asked the Board to investigate the environmental hazards and water use issue and asked the Board to discontinue providing incentives for installing artificial turf because it is not viable, not healthy and it is not an environmentally sound solution
- (4) Marli Melton, thanked the Board for their efforts in providing an abundance of information on the potential buyout.

No further comments were directed to the Board.

CONSENT CALENDAR:

Chair Adams introduced the matter.

Director Eisenhart commented on Items 3 and 4 (Treasurer's Reports for June and July) and reported that he asked the District Treasurer to confirm that when the report was received by the Finance and Administration Committee on September 11, 2023, all the line items were within the budgeted amounts. Director Eisenhart stated that this was confirmed by the District Treasurer.

There being no further discussion a motion was offered by Director Riley with a second by Director Anderson to approve the Consent Calendar. The motion passed by voice vote of 7-Ayes (Adams, Oglesby, Eisenhart, Anderson, Paull, Edwards and Riley), and 0-Noes.

The following agenda items were accepted as part of the Consent Calendar:

- 1. Consider Adoption of Minutes of the Regular Board Meeting on July 17, 2023**
- 2. Consider Adoption of Minutes of the Regular Board Meeting on August 21, 2023**
- 3. Consider Adoption of Treasurer's Report for June 2023**
- 4. Consider Adoption of Treasurer's Report for July 2023**

GENERAL MANAGER'S REPORT:

Chair Adams introduced the matter and

- 5. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision**

David Stoldt, General Manager, answered questions and provided information on the status of this agenda item via slide-deck presentation titled "Status Report on Cal-Am Compliance with SWRCB Orders and Seaside Basin Decision as of September 1, 2023" and answered board questions. Mr. Stoldt pointed out that with the discussion from California American Water (Cal-Am) regarding Source Waters, and the well improvements, should be able to meet the legal limit in the future. The increase in ASR recovery was lower than anticipated, which is a positive sign in trying to reduce the use of banked ASR. The board discussed this observation and the District will continue to monitor Cal-Am's actions. *A copy of the presentation is available at the District office and can be found on the District website.*

- 6. Activities and Schedule Related to Acquisition of Cal-Am Monterey Water System (Measure J)**

David Stoldt, General Manager, presented information via slide-deck presentation titled "Activities and Schedule

Related to Acquisition of Cal-Am Monterey Water System (Measure J)” and answered board questions on this agenda item. Mr. Stoldt highlighted the timeline for the District in moving forward with the resolution of necessity to acquire the Monterey water system and the litigation process. *A copy of the presentation is available at the District office and can be found on the District website.*

Other Matters reported by Mr. Stoldt:

- The Department of the Navy in Monterey is preparing for a Naval Innovation Center Environmental Assessment and the District has been asked to serve as a cooperating agency through their environmental process. Marlana Brown, Community Planning Liaison. Officer for Naval Support Activity Monterey provided a brief description of the project and answered questions from the Board.
- Reviewed the 24-month build-out for the Pure Water Monterey Expansion
- Provided an update on the Hastings Natural History Reservation project which began with grant funding in year 2014 and continued support for funding from the current Board.

Chair Adams opened the public comment for Item Nos. 8-10; the following comments were directed to the Board:

- (1) Tom Rowley, Vice President of the Monterey Peninsula Taxpayers Association, questioned if the projection of the value of Cal-Am stated by the District’s consultants is accurate and urged the Board to review meeting notes from the November 12, 2019 meeting.
- (2) Margaret Ann Coppemoll, addressed misconceptions she has heard from the public as to the validity of the District pursuing the buyout.
- (3) Susan Schiavone, stated she is looking forward to the October 10, 2023 meeting and has no doubt the District will present accurate information and thanked the Board for their work
- (4) Tammy Jennings, applauded the work done by the Board and agreed with comments from Ms. Coppemoll and Ms. Schiavone
- (5) Melodie Chrislock, Pure Water Now, encouraged Mr. Rowley to research his concerns further to obtain accurate information
- (6) Michael Baer, asked the Board if October 10 meeting would be the last occasion for public comment on the buyout or if additional opportunities will become available for public involvement.
- (7) Anna Thompson, thanked the Board for their work and stated no corporation should be allowed to own or manage an essential resource of infrastructure and is looking forward to the October 10 meeting.

REPORT FROM DISTRICT COUNSEL:

Chair Adams introduced the matter.

7. Reportable Action from the Closed Session Meeting on Thursday, September 7, 2023

District Counsel Laredo reported that at the Special Meeting held on Thursday, September 7, 2023, the Board deliberated on a closed session matter pertaining to the following:

- CS-1. Pursuant to Government Code §54956.9(c), the board will confer with district counsel to review one matter of potential/anticipated litigation.

Counsel Laredo reported the following action was taken by the Board:

A motion was made by Director Edwards with a second by Director Paull to set a public hearing for October 10, 2023 to consider a adoption of Resolution of Necessity related to the acquisition of Cal-Am’s Monterey System and to provide notice of the hearing and a copy of the draft resolution both to Cal-Am and the public. The motion passed unanimously with 7-Ayes (Edwards, Riley, Paull, Eisenhart, Oglesby, Anderson and Adams. 0-Noes, 0-Absent.

8. Update on Pending Litigation

District Counsel Laredo provided a verbal status report and answered questions on pending litigation to include the following:

- (1) City of Marina, Marina Coast Water District & MPWMD vs California Coastal Commission – Counsel updated the board regarding the challenge on Cal-Am’s coastal development permit. The Administrative Record is scheduled to be available for review by the end of October 2023.
- (2) MPWMD vs LAFCO – The hearing on the merits is scheduled for September 21 at 8:30 a.m. in Department 15 with Judge Wills.
- (3) Cal-Am’s application to the Public Utilities Commission for approval of their general rate case – Hearing dates are scheduled for October 5th and 6th, 9th and 10th, 13th, 16th, 19th, and 20th.

This item was informational only and no action was taken.

DIRECTORS’ REPORTS:

(INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

Chair Adams introduced the matter.

9. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

Director Riley reported out on his attendance at the September Seaside Groundwater Basin Watermaster Meeting.

Director Edwards reported out on his virtual attendance at the September Monterey One Water Recycled Water Committee meeting.

This item was informational only and no action was taken.

PUBLIC HEARING:

Chair Adams introduced the matter.

10. Consider Adoption of October through December 2023 Quarterly Water Supply Strategy and Budget

Jonathan Lear, Water Resources Manager, provided an overview of his staff report, answered questions and presented via slide-deck presentation titled “Consider Adoption of Oct-Dec 2023 Quarterly Water Supply Strategy and Budget for California American Water”. Mr. Lear outlined the factors involved with the Water Supply Strategy and Budget for CalAm’s Main System. *A copy of the presentation is available at the District office and can be found on the District website.*

Chair Adams opened the public comment; no comments were directed to the Board:

A motion was offered by Director Oglesby with a second by Director Eisenhart to adopt the proposed budget. The motion passed by voice vote of 7-Ayes (Adams, Oglesby, Eisenhart, Anderson, Paull, and Riley) and, 0-Noes.

11. Consider Adoption of Resolution No. 2023-14 Modifying Rule 160 – Regulatory Water Production Targets for California American Water Systems

Jonathan Lear, Water Resources Manager, provided an overview of his staff report, answered questions and presented via slide-deck presentation titled “Consider Adoption of Resolution Modifying Rule 160 – Regulatory Water Production Targets for California American Water Systems”. Mr. Lear outlined the specifics of Rule 160 and Tables XV-1, XV-2 and XV-3. *A copy of the presentation is available at the District office and can be found on the District website.*

Chair Adams opened the public comment; no comments were directed to the Board:

A motion was offered by Director Eisenhart with a second by Director Anderson to adopt Resolution 2023-14 modifying Rule 160. The motion passed by voice vote of 7-Ayes (Adams, Oglesby, Eisenhart, Anderson, Paull, and Riley) and, 0-Noes.

INFORMATIONAL ITEMS/STAFF REPORTS:

- 12. Report on Activity/Progress on Contracts Over \$25,000**
- 13. Status Report on Measure J/Rule 19.8 Phase II Spending**
- 14. Letters Received**
- 15. Committee Reports**
- 16. Monthly Allocation Report**
- 17. Water Conservation Program Report**
- 18. Carmel River Fishery Report for August 2023**
- 19. Monthly Water Supply and California American Water Production Report**

These items were informational only and no action was taken. Copies of these reports are available at the District office and can be found on the District website.

ADJOURNMENT:

Chair Adams adjourned the meeting at 8:01PM.

Sara Reyes, Sr. Office Specialist

Minutes Approved by the MPWMD Board of Directors on Monday, October XX, 2023

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